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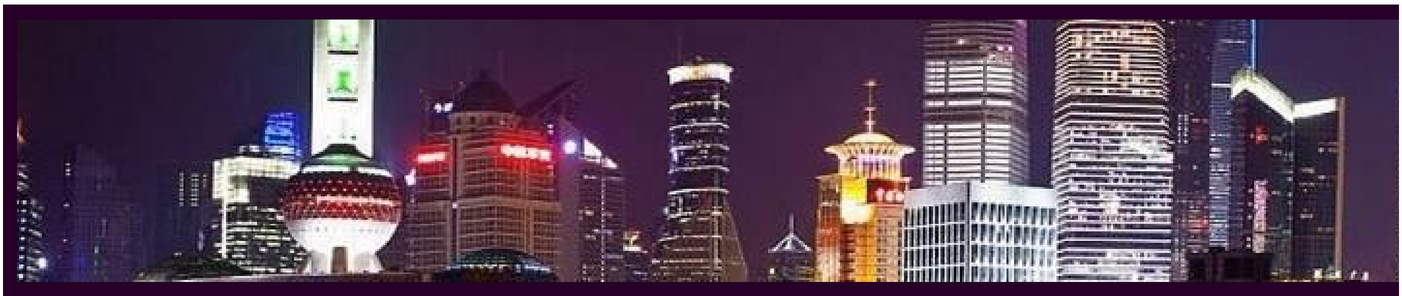
GRANDWAY LAW OFFICES



Newsletter

Update June 30, 2026

Update

Trademark Law Revision Adopted to Take Effect in 2027

On June 26, 2026, the revision of the *Trademark Law* was promulgated, which will come into force as of January 1, 2027.

The newly revised Trademark Law consists of 9 chapters and 87 articles. The main adjustments include: incorporating dynamic signs into the scope of registrable subject matter, and clarifying trademark use in information networks such as the internet; refining the prohibition rules on malicious registration and applications filed by deception or other improper means; shortening the opposition period from three months to two months, clarifying that electronic documents shall be deemed in written form, and providing that applications may be withdrawn and that registered trademarks may be applied for cancellation; providing for penalties for misleading the public in the use of registered trademarks, malicious applications, and violations by agencies and practitioners; and improving measures for investigating and handling infringement, the linkage between administrative law enforcement and criminal transfer, punitive damages, reasonable expenses, and the boundaries of fair use.

NFRA Introduces New Measures to Support the Development of the Shanghai International Financial Center

On June 18, 2026, the National Financial Regulatory Administration (NFRA) released information on the relevant measures for promoting the implementation of the *Action Plan on Supporting the Development of the Shanghai International Financial Center*, which took effect upon issuance.

These measures cover offshore finance, reinsurance, shipping finance, pension finance, financial leasing, and regulatory technology, among other fields. They include: jointly issuing, together with relevant departments and the Shanghai Municipal People's Government, the *Action Plan for the Development of Offshore Finance at the Shanghai International Financial Center*; planning to issue regulatory provisions for the free trade offshore bond business in the Pudong New Area; introducing further measures to support the development of the Shanghai International Reinsurance Center, and piloting facilitation for overseas investment of income from inward cross-border reinsurance business; supporting the formulation of data standards for shipping and trade finance and cooperation on the Shipping and Trade Chain; supporting the development of the commercial pension product Shanghai Pension Protection; piloting pension service trusts in Shanghai; supporting financial leasing companies in carrying out financing lease business for specific equipment in the Lingang New Area through project company structures; and supporting the establishment of the Intelligent Supervision R&D Base for the Financial Regulation Project (Shanghai).

Shanghai's Seven Departments Issue Special Measures for Cross-Border Trade Facilitation in 2026

On June 12, 2026, the Shanghai Municipal Commission of Commerce (SMCC) and six other departments and entities issued the *Several Measures for the 2026 Special Action on Promoting Cross-Border Trade Facilitation at Shanghai Ports* (the "Measures"), which took effect upon issuance.

The Measures set forth twenty-three arrangements in five areas, including improving support for trade compliance and intellectual property protection; optimizing inspection and customs clearance for first-launch imported consumer goods, chilled aquatic products, and pharmaceutical imports; promoting consolidated-container exports for cross-border e-commerce by sea and tax refunds upon departure for goods shipped to overseas warehouses; enhancing international exhibitions, aviation ports, multimodal transport, maritime transshipment consolidation, the digitalization of logistics documents, and the functions of the Single Window; advancing the development of smart ports and green ports; and covering matters such as support for AEOs, management of negative lists for cross-border data transfers, facilitation of RMB settlement in cross-border trade, and regulation of port charges.

Shanghai Circulates Revised Detailed Rules for Trade Policy Compliance to Strengthen WTO Rules Assessment

On June 25, 2026, the General Office of the Shanghai Municipal People's Government issued the *Notice on Forwarding the Detailed Implementation Rules for Trade Policy Compliance Work of Shanghai Municipality as revised by the Municipal Commission of Commerce* (the "Detailed Rules"), which took effect upon issuance.

The Detailed Rules clarify that where the municipal and district governments and their departments formulate policies involving trade in goods, trade in services, trade-related intellectual property rights, foreign investment, and other matters, the principle of "who formulates, who assesses" shall apply. Compliance assessment shall be treated as a necessary prerequisite before issuance, and written assessment opinions shall be submitted. For trade policies to be submitted to the executive meeting of the Municipal People's Government for deliberation, or to be issued or approved by the Municipal People's Government or the General Office of the Shanghai Municipal People's Government, the drafting department shall solicit in writing the opinions of the Municipal Commission of Commerce, which shall generally provide feedback within 7 working days and, under special circumstances, generally no later than 15 working days. With respect to written comments from WTO members, the Municipal Commission of Commerce, together with relevant departments, shall provide feedback to the Ministry of Commerce within 15 working days. The Detailed Rules shall take effect as of the date of promulgation, and the 2017 version shall be repealed simultaneously.

NDRC and NEA Issue the 15th Five-Year Plan for Building a New Energy System

On June 13, 2026, the National Development and Reform Commission (NDRC) and the National Energy Administration (NEA) released the *Notice on Issuing the 15th Five-Year Plan for Building a New Energy System* (the "Plan"), which took effect upon issuance.

The Plan makes clear that, by 2030, a new energy system that is clean, low-carbon, secure, and efficient will be initially established, and sets forth targets including raising the share of non-fossil energy consumption to 25%, increasing the proportion of installed wind power and solar power capacity to over 50%, and basically completing a nationwide unified electricity market system. The Plan sets out arrangements to expand the supply of wind power, photovoltaic power, hydropower, and nuclear power; advance the development of new power grids, energy storage, virtual power plants, vehicle-grid interaction, and direct green electricity supply; and optimize the regulating role of coal-fired power and the layout of natural gas power stations. It also makes arrangements regarding securing coal supply, increasing oil and gas reserves and production, oil and gas reserve capacity and pipeline network development, the layout of green fuels, energy conservation and carbon reduction in key sectors, dual control over carbon emissions, and carbon emissions accounting in the energy industry.

Five Departments Issue Action Plan for Typical Application Scenarios of "Artificial Intelligence + Transportation"

On June 25, 2026, five departments including the Ministry of Transport (MOT) released the *Notice on*

Issuing the Innovation Action Plan for Typical Application Scenarios of "Artificial Intelligence + Transportation" (the "Plan"), which took effect upon issuance.

The Plan proposes that by 2030, a number of high-value application scenarios will be opened up, with pilot projects and demonstrations to be carried out in ten areas: intelligent driving, smart highways, intelligent railways, intelligent shipping, smart civil aviation, smart postal services, intelligent construction and maintenance, smart mobility services, smart freight transport, and intelligent safety regulation, while concurrently issuing the first batch of construction guidelines. The Plan makes clear that the pilots are divided into three categories: application promotion, innovation demonstration, and breakthrough research, and will advance the development of a standards system, the transformation and application of achievements, comprehensive performance evaluation, and the establishment of a repository of innovative achievements, involving scenarios such as free-flow toll collection, intelligent security screening, unmanned delivery, electronic waybills for multimodal transport, digital and intelligent law enforcement, and network and data security protection.

Three Departments Issue Action Plan to Stabilize and Improve the Utilization of Foreign Investment

On June 22, 2026, the Ministry of Commerce (MOFCOM), the National Development and Reform Commission (NDRC), and the Ministry of Finance (MOF) released the *Action Plan to Stabilize and Improve the Utilization of Foreign Investment* (the "Action Plan"), which took effect upon issuance.

The Action Plan sets out fifteen measures focusing on expanding market access, enhancing the convenience of foreign investment, improving the level of investment promotion, strengthening the service and support system, and optimizing foreign investment administration. These measures include expanding opening up in the services sector, the financial sector, and the pharmaceutical sector; improving the regime for mergers and acquisitions involving foreign investment; optimizing the administration of cross-border data flows; implementing tax incentives for overseas investors that make direct investment with distributed profits; and supporting the establishment of foreign-funded research and development centers. The Action Plan also proposes ensuring national treatment for foreign-invested enterprises, enabling their equal participation in government procurement, bidding and tendering, and consumption promotion policies, improving service and support for major foreign investment projects, and optimizing the information reporting and sharing mechanism for foreign investment.

NFRA Issues Guiding Opinions on the Secure Development and Application of Artificial Intelligence in the Banking and Insurance Sectors

On June 18, 2026, the National Financial Regulatory Administration (NFRA) released the *Guiding Opinions on the Secure Development and Application of Artificial Intelligence in the Banking and Insurance Sectors* (the "Opinions"), which took effect upon issuance.

The Opinions set out provisions in seven areas: governance structure, development and application, data governance, computing capacity development, risk governance, security capabilities, and regulatory safeguards. They require the establishment of a full-life-cycle management system and a risk classification and grading mechanism for artificial intelligence; designate as high-risk applications generative artificial intelligence scenarios involving fund transactions, credit approval, underwriting and claims settlement, and other scenarios directly affecting the conclusion of financial contracts, which must be approved by the Risk Management Committee; require generative artificial intelligence models introduced from external sources to be filed with the cyberspace administration authorities; prohibit the use of personal information and private data, such as names, identity card numbers, mobile phone numbers, and bank card numbers, for the training and optimization of generative artificial intelligence models; and require the use of generative artificial intelligence for public-facing services or in high-risk scenarios to be reported to the National Financial Regulatory Administration or its local offices.

Article(s)

China's New Foreign Investment Action Plan: From Market Access to Business Operations (I)
by Esther Lin

Part I: Key Policy Developments for International Investors

On 16 June 2026, the Ministry of Commerce of China ("MOFCOM"), together with the National Development and Reform Commission and the Ministry of Finance, issued the *Action Plan for Stabilizing and Enhancing Foreign Investment* (the "Action Plan"), following approval by the State Council.

As the first comprehensive foreign investment policy document issued at the beginning of China's 15th Five-Year Plan period (2026 – 2030), the Action Plan introduces 15 measures across five areas, including expanding market access, improving foreign investment facilitation, strengthening investment promotion, enhancing services for foreign-invested enterprises, and optimizing foreign investment administration.

For international investors, the most significant message from the Action Plan is the continued shift in China's foreign investment policy focus—from market access to business operation and expansion.

Over the past decade, China has progressively liberalized its foreign investment regime through the implementation of the Foreign Investment Law and successive reductions of the foreign investment negative list. In September 2024, China removed the remaining restrictions on foreign investment in the manufacturing sector, completing the elimination of manufacturing-related restrictions at the national level.

With access barriers significantly reduced, China's policy priorities are now increasingly focused on addressing practical challenges faced by foreign-invested enterprises after establishment.

I. <u>Services Sector Becomes the Next Area of Opening-Up</u>

The Action Plan identifies services as a key area for further opening-up. While manufacturing has largely completed its liberalization process, China is expected to expand investment opportunities in sectors such as education, healthcare, biotechnology, telecommunications, and financial services.

The Action Plan supports broader pilot opening-up measures for vocational skills training institutions, vocational colleges, and high-level universities specializing in science, engineering, agriculture, and medicine.

In healthcare and biotechnology, China plans to expand pilot programs for biotechnology investment and wholly foreign-owned hospitals. It also intends to introduce detailed rules facilitating cross-border segmented production of pharmaceutical products by overseas marketing authorization holders.

In the financial sector, the Action Plan proposes supporting foreign institutions' access to risk management tools, including government bond futures, and encouraging qualified foreign institutions to provide fund investment advisory services.

These developments may create new opportunities for international investors seeking to expand into China's high-value service industries.

II. Greater Facilitation for Foreign Investment Transactions

The Action Plan also signals further improvements to China's foreign investment transaction framework.

China plans to accelerate revisions to regulations governing foreign investors' acquisitions of domestic enterprises, with the aim of improving transaction efficiency and optimizing acquisition procedures and payment arrangements.

The Action Plan also supports qualified foreign private equity investment institutions participating as strategic investors in securities offerings by listed companies outside their existing industries.

For investors considering mergers and acquisitions, strategic investments, or expansion through existing Chinese operations, these measures may provide greater flexibility in structuring future transactions.

III. Encouraging Long-Term Investment and Reinvestment

The Action Plan places greater emphasis on retaining and expanding existing foreign investment.

It calls for continued implementation of preferential tax policies for overseas investors that directly reinvest distributed profits in China and encourages more reinvestment projects to receive policy support.
This reflects a broader policy objective: moving beyond attracting new investment and creating a more favorable environment for foreign-invested enterprises already operating in China.

Part II will discuss the practical implications of these developments and key compliance considerations for foreign investors.

Contact Us

davidzou@grandwaylaw.com

www.grandwaylaw.com

23F, S2 Building, Bund Financial Center, 600
Zhongshan No. 2 Road (E), Shanghai, 200010, China